

AUDIT COMMITTEE - Table of Outstanding Issues (March 2018)

GENERAL					
Governance Area	Activity / Subject	Recommendation / Issue	Lead Service	Progress / Comments	Status - Target Date
Risk Management	Effective Management of the Council's Property Portfolio	Following the Audit Committee's training session on 23 October 2014, Officers were requested to keep the Committee up to date with the property risk audit that is to be undertaken in partnership with the Council's insurers.	Head of Finance and Revenues and Benefits	As reported to the last meeting of the Committee, the insurer's risk engineer has recently completed their preliminary work following an inspection of the Council's premises late last year. They also met with the Council's Fraud and Risk Manager and Head of Building Services. Although a formal response is awaited, initial comments from the risk engineer are that he was pleased with the inspections overall although there are some risk improvements that will be recommended. Once received the necessary actions will be considered.	First Quarter 2018/19

The Council's Governance arrangements	Procurement / Contract Arrangements	<p>At its meeting on 22 September 2016, the Committee were presented with an update against actions identified as part of the Seafronts Investigation Action Plan. Outstanding actions are as follows:</p> <p>The centralisation of repair / maintenance type work to reduce the potential for untrained staff to become involved in the procurement process continues to be reviewed as there may be a number of potential advantages from this approach.</p> <p>Guidance / Mandatory training remains under development which will include the following key points:</p> <ul style="list-style-type: none"> * Actions to protect the Council from fraud * Expectation of officers if covering another officer's duties where procurement is undertaken * The nature and level of assistance that can be provided to people / organisations bidding for Council work * Disaggregation of works to avoid procurement procedure rules is not permitted * Checks to undertake ensure potential contractors have the capacity and financial stability to deliver the Council's requirements * What activities need to be completed before payment is released to contractors / suppliers * The correct coding of expenditure within the financial systems * Contractors not to be paid in advance unless contractually obliged to do so * 'Spot' checks required by Senior Managers to ensure rules / guidance is being adhered to 	Head of Finance and Revenues and Benefits	<p>A training guide was finalised and published during March 2017.</p> <p>Training for relevant officers has now been completed.</p> <p>A final training session for those officers who were unable to make the previous dates is currently being arranged.</p> <p>Any officer who fails to attend any of the sessions offered will be removed from the Council's electronic ordering system.</p>	April 2018
The Council's Governance arrangements	Effective Monitoring of S106 Agreements	<p>At its 16 March 2017 meeting, the Committee considered a S106 Update Report, following which it resolved that:</p> <ul style="list-style-type: none"> (a) the progress in relation to the Section 106 audit be noted; (b) a follow-up audit be undertaken in March 2018; and (c) the Section 106 Audit be added to the Table of Outstanding Issues 	Head of Planning Services / Audit and Governance Manager	<p>A follow up audit included within the Internal Audit Plan is now in progress.</p> <p>As previously reported, an officer has been recruited on a 2 year fixed term basis to support the administration of S106 agreements.</p> <p>The new Exacom IT system that supports the administration of S106 agreements is scheduled to go live by the end of March 2018.</p>	July 2018
Risk Management	Cyber Security Training	<p>At its 25 January 2018 meeting, the Committee considered the Corporate Risk Register, following which it resolved that:</p> <p><i>The Head of Finance, Revenues & Benefits Services requests the Head of IT and Corporate Resilience to consider providing training to Members on aspects of cyber security.</i></p>	Head of Finance and Revenues and Benefits and Head of IT and Corporate Resilience	<p>The relevant training is scheduled for inclusion within an all member briefing session on 18 April 2018.</p>	April 2018

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ANNUAL GOVERNANCE STATEMENT ACTIONS

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Governance Issue	Action	Current Position / Update
Sustainable Resource Deployment: Achievement of Savings Needed over the Medium Term	Via the Financial Strategy process, continue to maintain a strong and robust approach to identifying savings and respond to new or additional burdens against the backcloth of planned cuts in Government funding to the Council over the period 2017/18 to 2019/20, with expected savings of £3.4m being required.	<p>A long term financial sustainability plan / 10 year forecast was agreed by Cabinet on 5 September 2017.</p> <p>The budget for 2018/19 was agreed by Council on 6 February 2018 which was in-line with the forecast.</p> <p>Work remains on-going to develop the necessary plan to deliver against the forecast going into 2019/20 along with considering how performance against the forecast can effectively be reported to Members on a regular basis during the year.</p>
	To continue to maintain strong governance arrangements as the Council transforms the way in which it provides and delivers its services.	<p>The office rationalisation business plan was agreed in September 2017 and work is now underway to deliver this major project.</p> <p>A major digital transformation project was agreed by Cabinet in February 2018, with the final steps of the associated procurement process in progress to enable relevant activities to commence as soon as possible going into 2018/19.</p>
Informed Decision Making: Garden Communities	To continue to play a key role in the development of the Garden Communities Project including key governance structures and financial arrangements set against open and transparent decision making.	<p>Key decision making milestones are expected to be reached in 2018/19 with associated reports expected to be presented to Members later in the year.</p> <p>It is recognised that associated governance frameworks may be subject to change as the potential option of establishing a Development Corporation to deliver this project continues to be explored.</p>

<p>Working with Partners and Other Third Parties: Jaywick Sands</p>	<p>To continue to work with Essex County Council and other partners to develop options for residential and other development. To develop options for a housing company and lead on the set up of a company.</p>	<p>Work remains in progress to take this major project forward and will form part of a wider Housing Strategy which is being developed for reporting to Members in 2018/19.</p>
<p>Other Major Issues</p>	<p>To ensure deliverability of projects without impact on the day to day operations of the Council.</p>	<p>This forms part of business cases / plans when developing significant projects.</p>
	<p>To develop and maintain a robust corporate approach to delivery against the Council's health and safety responsibilities.</p>	<p>Health and safety responsibilities were brought together with risk management in 2017 under the leadership of the Fraud and Risk Manager within a dedicated team. Development of a robust corporate approach to delivery against the Council's health and safety responsibilities forms a key focus for this dedicated team going into 2018/19.</p>